warranted a much higher increase. Despite the steep increase in the international oil prices, the prices of domesitc LPG and PDS Kerosene have not been increased since November'04 and March'02 respectively. Due to this, the Public Sector Oil Marketing Companies (OMCs) are incurring under-recoveries on domestic sale of sensitive petroleum products namely petrol, diesel, domestic LPG and PDS kerosene.

The impact of the price increase in petrol and diesel effective 15.2.2008 on the under-recoveries of the OMCs for 2007-08 would be around Rs. 810 crore. Even after this, it is estimated that the OMCs would suffer under-recoveries of over Rs. 70,000 crore on the sale of sensitive petroleum products during 2007-08. The total under-recoveries of the OMCs on sensitive petroleum products for the period April-December, 2007 on provisional basis are given below:

Rs./Crore

Name of the OMC	Under-recoveries for Apr.-Dec. '07 (Estimated Prov.)
Indian Oil Corporation	26,840.12
Bharat Petroleum Corporation	10,815.05
Hindustan Petroleum Corporation	9,963.82
TOTAL	47,618.99

(c) and (d) The duties on sensitive petroleum products have been rationalized to mitigate the impact of high international oil prices on their retail selling prices. The Customs Duty on petrol and diesel has been reduced from 10% to 7.5% effective 14.6.2006 and the *advalorem* component of Excise Duty on unbranded petrol and diesel has been abolished with effect from 1.3.2008. The Customs Duty and Excise Duty on domestic LPG and PDS kerosene were also abolished with effect from 1.3.2005. Further, consequent to enactment of Finance Bill 2006, domestic LPG has become a "Declared Good" under CST Act and the maximum Sales Tax/VAT rate is 4% effective 19.4.06 across all the States/Union Territories.

To share the burden of OMCs, the Government has issued Oil Bonds and the Upstream Oil Companies have contributed by offering discount on crude oil and petroleum products, to partially compensate the under-recoveries of OMCs.

Energy needs of countries

1985. SHRIMATI SUPRIYA SULE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether his Ministry is exploring an option with the Ministry of External Affairs to link the line of credit offered to a few countries with energy supplies and this would help cash-strapped but commodity-rich countries to utilize the credit line fully;

(b) if so, whether the offer has been fine-tuned by his Ministry to tackle the economy's sharply mounting energy needs; and

(c) if so, to what extent these measures will help to improve the energy needs in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Government provides concessional lines of credit (LoC) to friendly developing countries to support their capacity building and infrastructure development. These LoCs are provided by Government as a gesture of goodwill and economic support. Government does not link these lines of credit with acquisition of energy supplies from overseas.

Supply of petrol and diesel to Tamil Nadu

1986. SHRI C. PERUMAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is a short supply of petrol and diesel by the oil companies in Tamil Nadu;

(b) if so, the reasons for this situation and the action taken by Government thereto; and

(c) the total approximate requirement of petrol and petroleum products estimated and actual supply of the same in Tamil Nadu?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) No, Sir. Public Sector Oil Marketing Companies (OMCs) have reported that there has been no short supply of petrol and diesel in the State of Tamil Nadu.

(b) Does not arise, in view of the reply to part (a) above.

(c) OMCs-wise monthly average approximate requirement of petrol and diesel and actual supply of the same during the period of April 2007 to February 2008 is given below:—

(Figure in Thousand Metric Tonnes)

	Petrol		Diesel	
	Projected demand	*Actual Supply*	*Projected demand*	*Actual Supply*
IOCL	31.4	31.8	169.5	173.8
HPCL	18.74	20.99	55.93	56.52
BPCL	25.09	25.73*	79.91	80.91

Production and consumption of oil and gas

1987. DR. V. MAITREYAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the total consumption of oil and gas in the country during the last three years;

(b) the total demand likely in the coming years;

(c) the total quantity produced in the country and the total quantity imported both in value and quantity during the last three years;

(d) what steps are being taken to increase the production locally and also to identify new locations of oil and gas bearing areas in the country;